Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

MARKET OUTLOOK REPORT

Volume 1 Number 2

CORN: SITUATION AND OUTLOOK

June 19, 2009

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Grains and Oilseeds Division
Food Value Chain Bureau
Market and Industry Services Branch
Agriculture & Agri-Food
www.agr.gc.ca/gaod-dco

Canada

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Electronic version available at
www.agr.gc.ca/gaod-dco

ISSN 1920-20082X
AAFC No. 10918E

Market Outlook Reports are published by the
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Issued also in French under title
Rapport sur les perspectives du marché
ISSN 1920-200838
AAFC No. 10918F

CORN: SITUATION AND OUTLOOK

For 2008-2009 to-date, US and Canadian corn prices remain strong as lower production and strong demand for ethanol offset a sharp rise in carry-in stocks and reduced livestock feeding. World carry-out stocks are expected to rise while holding steady in the United States (US). World trade in corn is expected to decline sharply led by lower US exports and weaker EU import demand.

For 2009-2010, the price outlook for corn is optimistic as US production holds steady on higher yields and usage rises on the continued expansion of the ethanol sector. Canadian corn production is forecast to decrease marginally as a slight rise in planted area is more than offset by lower yields. Imports of corn are anticipated to rise slightly to service the growing ethanol sector in Eastern Canada. US corn prices are forecast to increase marginally with Canadian prices pressured by the rally in the Canadian dollar. Over the medium term, North American corn production is projected to grow slowly on stable planted area and higher yields. This issue of the Market Outlook Report examines the situation and outlook for corn.

SITUATION: 2008-2009

Coarse Grains

World production of coarse grains accounts for about one-half of the cereals (wheat, rice and coarse grains) grown globally. Production of coarse grains rose by about 25 million tonnes (Mt) to a record 1.1 billion tonnes (Bt) on a sharp increase in output in China, the European Union (EU-27) and Russia. Supplies rose by about 3% due to higher carry-in stocks and increased output.

Total use of coarse grains is forecast at a record 1.08 Bt, although the rate of expected growth has declined recently due to a price-cost squeeze in the ethanol sector and to competition from increased supplies of low-grade wheat from Russia and the Ukraine. World feed use of coarse grains is forecast to decline by about 1% as livestock herd liquidation continues in response to the sharply higher feed prices. About one half of the growth in coarse grain consumption is expected to occur in the US and China.

The trend towards increasing world trade in coarse grains is expected to be sharply reversed for 2008-2009, with exports falling by 21% to about 102 Mt, due to the world economic slowdown. This is most evident in the expected 50% drop in US coarse grain exports for this crop year.

Carry-out stocks are forecast to rise by about 22 Mt, to 178.4 Mt, well above the 5 year average.

Corn

Corn accounts for about 72% of the **world** coarse grain market with the US and China making up about 40% and 20% of the world corn production, respectively.

World corn production decreased by about 1% largely because of the 24 Mt drop in US output which was partly offset by the increase in EU-27 production. World corn supply increased by 15.3 Mt from 2007-2008, as sharply higher carry-in stocks more than offset the drop in output.

World corn consumption is projected to rise by about 3% to a record high as the sharp increase in food and industrial use more than offsets the decline in feeding. The largest increases in industrial demand are expected to be in the US and China as both countries expand ethanol production.

World trade is forecast to decline by 11%, to under the 5-year average, from the record highs set in 2007-2008. This is largely due to the sharp drop in EU imports as wheat production rebounded in that region and set 5-year highs. World carry-out stocks of corn are estimated to decrease slightly from last year, tightening the stocks-to-use ratio to 13.5% versus 16.8% for 2007-2008 and the 5-year average of 15.2%.

United States

The US is the world's largest producer and exporter of corn, accounting for 40% of world output and 60% of world trade. Consequently, world corn prices are largely determined by US corn prices.

In the US, corn production declined to 12.1 billion bushels (Bbu), or 307.4 Mt for 2008-2009, due to a sharp decline in planted area which was partly offset by a 3.2 bu/ac rise in yields. US corn production was aided by timely moisture across most of the growing region although fall harvest was delayed across the northern plains due to excessive wetness. Total US supplies are expected to decline to 13.7 Bbu as the lower production was partly offset by higher carry-in stocks.

Total demand for US corn is expected to weaken, with massive shifts occurring in domestic usage while exports decline sharply. US feed and residual consumption is forecast to decline by about 600 million bushels (Mbu) (15.3 Mt) from last year. This is matched by a similar sized increase in ethanol production which is expected to consume one-third of US supplies. Ethanol production is expected to continue growing on support from legislated US mandates of 10% alcohol content in gasoline with the economic slowdown serving to moderate the rate of growth. Production of ethanol for 2008 exceeded 9 billion gallons and on average the US ethanol industry produced 600,000 barrels per day. Recent comments from the US Administration suggest that the ethanol mandate may be raised to 13%-14% with the Renewable Fuel Association calling for a 15% mandate.

US production of Dried Distillers Grains with Solubles (DDGS) is rising in tandem with ethanol production and is estimated at about 29 Mt versus about 23 Mt for 2007-2008. DDGS are a substitutable source of protein and energy in animal rations and are offsetting some of the decrease in corn consumption by livestock.

For 2008-2009, US loan deficiency payments (LDPs) are expected to be minimal and as a result will not have a significant impact on corn prices. For 2007-2008, loan deficiency payment payouts on averaged US$0.14/bu on 0.1 Mbu, which is less than 0.01% of the crop. This compares to 2004-2005 when 87% of the US corn crop collected US$2.6 billion in LDPs, averaging US$0.28 per bushel (¢/bu).

China

China is the world's second largest corn producer and for 2008-2009, the USDA estimates output will rise by 9% as higher yields more than offset a slightly lower harvested area. Domestic consumption is forecast to rise slightly as higher feed usage is partly offset by lower food, seed and industrial consumption. Exports of corn are expected to be minor at 0.5 Mt, mostly to Korea, compared to the 15.2 Mt shipped in 2002-2003. Carry-out stocks are forecast to rise by about one-third to the highest level in five year.

Brazil

Corn production in Brazil has increased sharply over the past few years and the country briefly replaced the EU-27 as the world's third largest corn producer. Production is forecast sharply lower for 2008-2009 due to a decline in harvested area and sharply lower yields. However, yields may end up higher following moderate to heavy rains across the central regions of Brazil during the first half of March. Exports of corn are forecast to rise sharply for 2008-2009, to about 10 Mt as Brazil surpasses Argentina to become the world's second largest exporter of corn.

Canada

Corn production in Canada has steadily increased in response to a growing need for feed corn for its livestock industry and as input to the growing fuel ethanol industry. Some of Canada's increased corn production in the past few years is attributed to the availability of higher yielding and pest resistant varieties of corn. For example, Statistics Canada reports that 57% of the area devoted to grain corn for 2008-2009 was planted with genetically modified (GM) seed versus 49% in 2007-2008. Ontario, Quebec and Manitoba are the three main corn producing provinces.

Ontario is expected to produce about 63% of Canada's total corn production, compared to 33% for Quebec and about 4% for Manitoba. In **Ontario,** corn production is estimated at 6.9 Mt, down slightly from 2007-2008. Yields rose by 17%, to a record 9.8 t/ha (156 bu/ac), on higher than normal corn heat units and good growing conditions. However, late autumn rains resulted in some corn remaining unharvested in the fields over winter. In **Quebec**, corn production decreased to 3.2 Mt due to a sharp drop in harvested area and in yields. For **Manitoba**, corn production has increased significantly since the mid 1990s but for 2008-2009, fell slightly to 0.47 Mt.

For 2008-2009, **Canadian** corn production decreased to 10.6 Mt from the record 11.6 Mt due to a sharp drop in seeded area and yields. Despite the 13% decrease in supplies, imports are forecast to decline from the record highs due to increased supplies of competing feed grains in western Canada combined with an ongoing liquidation of the Canadian livestock sector due to a cost-price squeeze.

For 2008-2009, feed use of corn is forecast to decline by 15% as livestock feeders in western Canada are expected to switch back to barley, and to a lesser extent wheat and oats. Western Canadian barley exports are expected to decline compared to 2007-2008, assuming no significant changes in the current marketing structure. This in turn is expected to increase the availability of barley for domestic feeding, despite the forecasted drop in total supplies.

Concurrently, the year over year decline in cattle and hog inventories was 5.1% and 10.2%, respectfully, for January 1st 2009. A cost-price squeeze is affecting the profitability and about one in twelve cattle producers and one in five hog farmers have exited the business, according to reports from the USDA. The Canadian cattle industry has worked its way out of the inventory surge caused by the bovine spongiform encephalopathy (BSE) related trade disruption but it still faces challenges. Year end inventory was 13.2 million head (Mhd) down from 13.9 Mhd for January 1st 2008. For hogs, January 1st 2009 inventory was 12.4 Mhd, compared to 13.8 Mhd a year previous and the high of 15.1 Mhd set in 2006.

The expected sharp decline in corn imports into western Canada for livestock feeding is expected to be partly offset by imports into Ontario to support the expanding ethanol sector. Currently, Ontario has the capacity to produce about 880 million liters (ML) of ethanol which is expected to require 2.3 Mt of corn and to produce 0.70 Mt of DDGS. Several plants are in the development stage and if completed will provide a capacity of 2.3 billion liters (BL) requiring almost 7.0 Mt of corn.

Canadian carry-out stocks for corn are expected to decline by 25%, although the impact on prices is expected to be minimal.

Corn Prices

For 2008-2009, the US farmgate price for corn is estimated to remain unchanged at US$4.10 to $4.30 a bushel versus the US$4.20 a bushel earned in 2007-2008. US nearby corn futures prices on the Chicago Board of Trade (CBoT) reached record highs in July 2008, as bullish long-term biofuel demand prospects, continued strong exports, concerns over growing conditions and expected tight carry-out stocks supported prices.

For 2008-2009, Chatham, Canada, corn prices are expected to range from $160 to $180/t versus CAN$180t for 2007-2008 and the previous 5-year average of CAN$130/t. The previous modern day record high price for Chatham corn was CAN$209/t in 1995-1996.

The price of corn in Canada is determined by: the price of corn on the CBoT in the US, the Canada-US dollar exchange rate, Canadian supply and demand conditions, freight from origin to destination and brokerage fees. Domestic corn is priced on an import basis as Canada has become a corn deficit country. Corn prices are generally lower than in the US in the fall because of ample domestic supplies. As the corn is consumed, prices rise to the point where it becomes economic to import US corn. Consequently, Canadian corn prices are normally discounted to the US and any price increases are capped by US imports. For 2007-2008, the premium of CBoT corn over Chatham averaged CAN$24/t versus CAN$19/t higher for 2006-2007.

OUTLOOK: 2009-2010

Coarse Grains

For 2009-2010, **world** coarse grain output is projected to rise marginally to about 1.1 Bt largely due to higher yields. A great deal of uncertainty surrounds the current outlook but early indications are that stable US corn area is likely to be offset by an expected decline in Brazilian plantings.

Support for an increase in area is provided by high prices for feed grains while offsetting pressure arises from high fertilizer costs. Supply is expected to increase slightly, due to higher carry-in stocks. Despite the higher supply, consumption is expected to show a similar rate of growth, which is expected to maintain tight carry-out stocks and prices significantly above the 10-year average.

Corn

World corn production is forecast to decline marginally, as a decline in planted area is moderated by higher yields. Supplies are projected to rise as an approximate 9 Mt rise in carry-in stocks more than offsets a slight drop in output. Utilization is projected to rise to slightly under 800 Mt on support from the continued expansion of ethanol production across North America. World corn trade is projected to rise, although remaining well below the levels set in 2007-2008, because of reduced supplies of competing coarse grains and low-grade wheat. Carry-out stocks are forecast to tighten by about 11 Mt or 9% but are still considered to be adequate.

United States

The area planted to corn is forecast to decline slightly to 85 million acres (Mac), (34.4 million hectares {Mha}) based on area changes in the USDA's *World Agriculture Supply and Demand Estimates* for 2009. However, expected cooler and wetter than normal conditions across the northern plains may result in some area being switched into soybeans. Yields of 153.4 bushels per acre (1.58 t/ha), are projected the same as last year but below earlier estimates due to the slower than normal planting and slightly delayed crop development. Domestic usage of corn is forecast to rise sharply as expanding ethanol production more than offsets an expected decline in livestock feeding. Carry-out stocks are projected to tighten by about one-third supporting the expected average farm price.

Canada

For 2009-2010, the area planted to corn is expected to increase by less than 5%, although the switch may be limited by the cool and late spring, excessive spring moisture and by high fertilizer prices, all which favour the planting of soybeans. Yields are projected to decline to trend levels, assuming normal moisture and heat units during the growing period. Corn supply is forecast to remain stable as the forecasted slight drop in production and carry-in stocks offsets the rise in imports. Total domestic usage is forecast to decline slightly as the forecasted decline in livestock feeding more than offsets the projected growth in ethanol production. Canada's corn imports are expected to rise to service the growing ethanol sector in Ontario. Carry-out stocks are projected to remain tight and well below the 5 year average.

Prices

For 2009-2010, the US farmgate price of corn is projected rise slightly to US$3.90 to $4.70/bu implying a Chicago Board of Trade price of about US$4.50/bu. The Canadian corn price is projected to rise slightly to CAN$160/t-$200/t.

Medium-Term Outlook

According to the *USDA Agricultural Projections to 2018*, US corn area is expected to rise slowly over the next ten years, and is forecast to peak at 90.5 Mha by 2016-2017 before stabilizing.

The projections reflect provisions of the Food, Conservation and Energy Act of 2008 (2008 Farm Act) which reduces the cap on maximum acreage enrolment in the Conservation Reserve Program (CRP) to 32 Million acers (Mac) (13 Mha) effective October 1, 2009, from the previous limit of 39.2 Mac (15.9 Mha). With current CRP enrolment of 34.8 Mac (14.1 Mha) this policy change provides some additional cropland for production. Most of the land under reserve is considered poorer quality and would not be expected to grow much corn if it became available.

Over the medium term, much of the expected increase in production is projected to occur through higher yields, which the USDA forecasts to rise to 175 bushels an acre, a rise of 14% over 2008-2009. Supplies of corn are projected to rise to almost 16.1 Bbu, by 2018-2019 compared to 13.7 Bbu for 2008-2009.

Total usage of corn is projected to grow by 16% over the medium term. Industrial usage of corn is expected to rise with the rapid expansion in US ethanol sector projected to begin tapering off in 2009-2010 and to grow at a slower pace until 2018-2019. The USDA projects that the production of ethanol will consume 5.1 Bbu or about one-third of the US corn crop by then.

US feeding is projected to rise slightly, to 5.9 Mbu or 40% of output. Over the medium term, the average annual farm price of corn is projected to decline slightly until 2013-2014, then begin rising moderately by about US5¢/bu by 2018-2019.

US exports are projected to rise slowly on support from the growing livestock sectors in Asia, Latin America, North Africa and the Middle East. However, most of the expansion in world trade in corn is expected to occur outside the US.

For Canada, seeded area to corn is expected to rise slightly around 2010-2011 and then to hover around 1.3 million hectares until 2018. Production is expected to gradually trend upwards, peaking at almost 12 Mt in 2018-2019 due to the slow and steady upward rise in trend yields.

For 2009-2010, about 2.40 Mt of corn and 0.88 Mt of wheat are expected to be used to produce ethanol in Canada. By 2018-2019, this is expected to rise to 2.84 Mt of corn and 1.09 Mt of wheat, respectively.

Feed use of corn in Canada is expected to decline marginally by 2018-2019 due to fewer market hogs and feedlot cattle and increased supplies of alternative feed ingredients such as DDGS.

PROVINCIAL PROFILE: ONTARIO CORN

About 60% of the area planted to corn in Canada is located in the province of Ontario. Over the past five years, slightly over 0.7 Mha were seeded to corn in Ontario and slightly under 0.7 Mha were harvested. About one-half of the provincial corn area is located in Southern Ontario, with Western Ontario, Eastern Ontario and Central Ontario accounting for about 31%, 13%, and 7% of the remaining corn area respectively, with some area located in Northern Ontario. Generally speaking the best climate for growing corn is in the southern tip of Ontario located between Lakes Huron and Erie and corn heat units decrease towards the north and east.

About two-thirds of the corn grown in Canada is produced in Ontario and for 2008-2009 production was 6.9 Mt versus the five year average of 6.2 Mt. By province, corn yields are the highest in Ontario at 9.8 t/ha for 2008-2009 compared to 8.2 t/ha for Quebec and 6.7 t/ha for Manitoba. Yields in Ontario have increased by about 45% since 1990 with the introduction of new varieties and improved agronomic practices.

Along with being the largest producer of corn, Ontario is the largest corn consuming province in Canada. Ontario accounts for about one-half of the feed use of corn in Canada, estimated at 4.1 Mt by the Ontario Corn Producers Association (OCPA) to feed the 3.2 million hogs and 1.7 Mhd of cattle located in the province. Industrial use of corn, primarily for ethanol, is estimated at 3.5 Mt for 2008-2009, up sharply from the 3.1 Mt consumed in 2007-2008 and the five year average of 2.8 Mt. Ethanol production has increased sharply over the past few years but growth has slowed considerably and may rise to 2.3 BL based on announced construction. Ontario is also a major trader in corn and is expected to import about one-half of the corn that is imported into Canada for 2008-2009, at around 1.0 Mt.

About 21,000 corn producers are represented by the OCPA which takes an active role in marketing, policy development and research. In 2009, the OCPA is expected to amalgamate with other farm organizations to create the Grain Farmers of Ontario.

WORLD: CORN SUPPLY AND DISPOSITION

	2005 -2006	2006 -2007	2007 -2008	2008 -2009p	2009 -2010f
Harvested Area (Mha)	145.4	149.2	159.9	156.4	156.4
Average Yields (t/ha)	4.81	4.77	4.95	5.03	5.00
			million tones		
Argentina	15.8	22.5	22.0	13.0	15.0
Brazil	41.7	51.0	58.6	50.0	54.0
Canada	9.3	9.0	11.6	10.6	10.3
China -Peoples Republic of	139.4	151.6	152.3	165.5	162.5
Egypt	5.9	6.1	6.2	6.2	6.3
EU-27	60.7	53.8	47.5	62.4	56.5
India	14.7	15.1	19.0	17.0	18.5
Indonesia	6.8	7.9	7.5	8.7	9.0
Mexico	19.5	22.4	23.6	25.0	24.0
Nigeria	7.0	7.8	6.5	7.9	8.3
Philippines	5.9	6.2	7.3	6.9	6.9
Russian Federation	3.2	3.6	4.0	6.6	7.0
Serbia	nr	6.4	4.1	5.9	6.5
South Africa, Republic of	6.9	7.3	13.2	12.0	11.5
Ukraine	7.2	6.4	7.4	11.4	9.5
United States	282.3	267.5	331.2	307.4	303.2
Other	72.5	67.6	69.6	70.8	72.6
Total Production	**698.8**	**712.2**	**791.6**	**787.3**	**781.5**
Carry-In Stocks	131.5	124.2	109.0	130.7	138.5
Imports*	82.6	91.2	98.4	76.0	79.7
Total Supply	**830.3**	**836.4**	**900.6**	**918.0**	**920.0**
Food, seed industrial & other	229.7	249.7	273.4	298.3	312.0
Feed	476.3	477.7	496.5	481.2	482.5
Exports*	82.6	91.2	98.6	77.6	81.5
Total Use	**706.0**	**727.4**	**769.9**	**779.5**	**794.5**
Carry-Out Stocks	124.2	109.0	130.7	138.5	125.5
Stocks-to-use ratio (%)	18%	15%	17%	18%	16%

* sum of individual countries marketing years
Source: USDA - June 2009, p: preliminary
f: forecast; Agriculture and Agri-Food Canada and USDA, May 2009

UNITED STATES: CORN SUPPLY AND DISPOSITION

	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
			million hectares		
Area					
Planted	53.7	31.7	37.8	34.8	34.4
Harvested	30.4	28.6	35.0	31.8	31.5
Yield (tha)	1.52	1.53	1.55	1.58	1.58
			million tonnes		
Carry-In Stocks	53.7	50.0	33.1	41.3	40.6
Production	282.3	267.5	331.2	307.4	303.2
Imports	0.2	0.3	0.5	0.4	0.4
Total Supply	**336.2**	**317.8**	**364.8**	**349.0**	**344.2**
Exports	54.5	54.0	61.9	44.5	48.3
Feed and Residual	155.9	142.0	150.8	135.9	130.8
Food, seed & industrial	75.7	88.7	110.8	128.0	137.4
Ethanol for fuel	40.7	53.8	76.9	95.3	104.1
Total Use	**286.1**	**284.7**	**323.5**	**308.4**	**316.5**
Carry-Out Stocks	**50.1**	**33.1**	**41.3**	**40.6**	**27.7**
Free Stocks	50.0	33.1	41.3	40.6	n/a
Outstanding Loans	4.3	2.9	2.7	3.8	n/a
Stocks to Use Ratio	17.5%	11.6%	12.8%	13.2%	8.7%
Average farm price (US$/t)	79	120	165	165	169
Average farm price (US$/bu	2.00	3.04	4.20	4.08	4.29

Source USDA, June 2009
f: forecast; Agriculture and Agri-Food Canada, May 2009

CANADA: CORN SUPPLY AND DISPOSITION

Sept-Aug Crop Year	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
Seeded Area (000 ha)	1.11	1.09	1.39	1.20	1.25
Harvested Area (000 ha)	1.09	1.06	1.37	1.17	1.22
Yield (t/ha)	8.60	8.47	8.51	9.06	8.61
			thousand tonnes		
Carry-In Stocks	1.80	2.00	1.34	1.46	1.10
Production	9.33	8.99	11.65	10.59	10.50
Imports	1.90	2.09	3.18	1.90	2.00
Total Supply	**13.04**	**13.08**	**16.17**	**13.95**	**13.60**
Exports	0.24	0.29	0.84	0.30	0.30
Domestic use					
Food and Industrial	2.28	2.98	3.57	3.80	4.30
Seed	0.01	0.02	0.01	0.02	0.02
Feed, waste, dockage and handing loss*	8.50	8.46	10.28	8.73	7.79
Total Domestic Use	**10.79**	**11.46**	**13.87**	**12.55**	**12.10**
Total Use	**11.04**	**11.75**	**14.71**	**12.85**	**12.40**
Carry-out Stocks	**2.00**	**1.34**	**1.46**	**1.10**	**1.20**
Stocks-to-use ratio	18.1%	11.4%	9.9%	8.6%	9.7%
Seeded Area (000 ac)	2.75	2.70	3.44	2.98	3.08
Harvested Area (000 ac)	2.68	2.62	3.38	2.89	3.01
Yield (bu/ca)	137.00	134.90	135.60	144.30	137.20
Average price ($/t)**	$96.25	$138.00	$180.00	$160-180	$160-200

* calculated residually
**No. 2 track Chatham
f: forecest, Agriculture and Agri-Food Canada, May 2009.

WORLD: CORN TRADE

Oct-Sept Year.	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
			million tonnes		
TY Exports					
Argentina	10.7	15.7	15.7	7.0	8.0
Brazil	2.8	8.1	7.9	10.0	10.0
Canada	0.2	0.3	0.9	0.5	0.3
China, Peoples Republic of	3.7	5.3	0.5	0.5	0.5
EU-27	0.4	0.7	0.6	2.0	2.0
Paraguay	1.3	2.0	1.5	1.0	1.0
Russian Federation	0.1	0.1	0.0	1.3	1.0
Serbia	nr	0.9	0.1	1.0	1.2
South Africa, Republic of	1.4	0.4	1.1	2.5	2.0
United States	56.1	54.2	60.8	44.5	49.0
Ukraine	2.5	1.0	2.1	5.2	3.0
Others	3.4	2.7	7.1	2.4	3.2
Total	**82.6**	**91.4**	**98.3**	**77.9**	**81.2**
TY Imports					
Algeria	2.1	2.5	2.2	1.9	2.1
Canada	1.9	2.2	3.1	1.6	2.4
Chile	1.6	1.5	1.6	1.8	1.7
Colombia	3.2	3.4	3.3	2.8	2.9
Costa Rica	0.7	0.7	0.7	0.6	0.7
Cuba	0.5	0.6	0.8	0.8	0.8
Dominican Republic	1.1	1.2	1.1	0.9	1.0
Egypt	4.4	4.8	4.2	3.7	4.2
EU-27	2.6	7.1	14	2.5	2.5
Guatamala	0.8	0.8	0.6	0.8	0.8
Iran	2.3	3.3	2.9	2.7	2.9
Israel	1.1	1.3	1.4	1.0	1.3
Japan	16.6	16.7	16.6	16.5	16.3
Korea Republic of	8.5	8.7	9.3	7.0	7.5
Malaysia	2.5	2.4	3.2	2.0	2.6
Mexico	6.8	8.9	9.6	7.0	7.5
Morocco	1.5	1.7	1.9	1.5	1.6
Peru	1.5	1.5	1.5	1.4	1.5
Saudi Arabia	1.5	1.6	2	1.7	1.8
Syria	1.3	1.7	1.6	1.8	1.9
Taiwan	4.5	4.3	4.5	4.3	4.3
Tunisia	0.6	0.7	0.8	0.6	0.8
United States	0.2	0.3	0.5	0.8	0.4
Venezuela	0.2	0.5	1.1	0.6	0.9
Others	14	12.4	9.1	11.6	10.8
Total	**82.6**	**91.4**	**98.3**	**77.9**	**81.2**

Source, USDA except AAFC for Canada in 2008-2009; p: preliminary
f: forecast; Agriculture and Agri-Food Canada

CANADA: CORN EXPORTS AND IMPORTS

Sept-Aug Crop Year	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
			million tonnes		
EXPORTS					
PEI	0.0	0.0	0.0	0.0	0.0
Nova Scotia	0.0	0.0	0.0	0.0	0.0
Québec	237.2	203.3	594.9	500.0	195.0
Ontario	14.6	108.2	324.9	240.0	100.0
Manitoba	4.7	0.0	0.1	0.1	0.1
Saskatchewan	0.0	0.0	0.0	0.4	0.4
Alberta	0.1	0.0	0.1	0.0	0.0
British Columbia	0.0	3.1	9.9	8.0	5.0
Northwest Territories and Yukon	0.0	0.0	0.0	0.0	0.0
IMPORTS					
Nova Scotia	3.7	1.7	2.1	1.2	2.0
New Brunswick	9.7	30.4	11.4	9.0	13.0
Québec	85.4	273.5	206.3	200.0	200.0
Ontario	1,101.4	1,112.6	680.7	850.0	750.0
Manitoba	445.0	362.4	852.9	400.0	510.0
Saskatchewan	66.0	40.2	224.4	100.0	100.0
Alberta	126.8	160.7	915.5	150.0	175.0
British Columbia	58.0	108.4	288.8	190.0	250.0

Source: Statistics Canada - May 2009
f: forecast; Agriculture and Agri-Food Canada, May 2009

ONTARIO: CORN SUPPLY AND DEMAND

Sept-Aug Crop year	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
Seeded Area (Mha)	0.65	0.64	0.85	0.71	0.75
Harvested Area	0.63	0.62	0.83	0.70	0.74
Yield (t/ha)	9.10	9.45	8.40	9.80	9.00
			thousand tonnes		
Carry-In Stocks					
On farms	750.0	950.0	550.0	600.0	700.0
In commercial positions	430.7	420.6	487.1	355.4	500.0
Total Beginning Stocks	**1,180.7**	**1,370.6**	**1,037.1**	**955.4**	**1,200.0**
Production	**5,766.1**	**5,867.7**	**6,985.3**	**6,858.3**	**6,605.0**
Imports[1]	**1,106.3**	**1,114.1**	**681.4**	**650.0**	**750.0**
Total Supply	**8,053.1**	**8,352.4**	**8,703.8**	**8,463.7**	**8,555.0**
Exports					
Exports to Quebec	0.0	0.0	0.0	0.0	0.0
Exports to provinces excluding	25.0	25.0	25.0	25.0	25.0
Exports to other countries	5.3	92.0	381.4	150.0	125.0
Total Exports	**30.3**	**117.0**	**406.4**	**175.0**	**150.0**
Domestic Disappearance					
Human, food and industrial use[2]	2,075.0	2,750.0	x	x	x
Seed requirements	7.4	9.4	8.0	7.0	7.0
Feed, waste and dockage[3]	4,569.8	4,438.9	x	x	x
Total domestic disappearance	**6,652.2**	**7,198.3**	**7,342.0**	**7,088.7**	**7,505.0**
Ending Stocks					
On farms	950.0	550.0	600.0	700.0	450.0
In commercial positions	420.6	487.1	355.4	500.0	325.0
Total Ending Stocks	**1,370.6**	**1,037.1**	**955.4**	**1,200.0**	**775.0**
Total Disposition	**8,053.1**	**8,352.4**	**8,703.4**	**8,463.7**	**8,430.0**
Average Weighted Price/t	$107.08	$148.42	$180.31	$188.97	$177.16

Source, Statistics Canada, Ontario Corn Producers Association
f: forecast; Agriculture and Agri-Food Canada
1. Grain exports exclude seed. Grain imports include seed.
2. Ethanol included in industrial use.
3. Animal feed, waste and dockage calculated residually.

QUEBEC: CORN SUPPLY AND DEMAND

Sept-Aug Crop year	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
Seeded Area (Mha)	0.41	0.39	0.45	0.40	0.40
Harvested Area	0.41	0.38	0.45	0.38	0.39
Yield (t/ha)	8.21	7.20	9.13	8.25	8.30
			thousand tonnes		
Carry-In Stocks					
On farms	620.0	630.0	300.0	460.0	400.0
In commercial positions	0.0	0.0	0.0	0.0	0.0
Total Beginning Stocks	**620.0**	**630.0**	**300.0**	**460.0**	**400.0**
Production	**3,350.0**	**2,700.0**	**4,100.0**	**3,150.0**	**3,225.0**
Imports[1]					
Imports from Ontario	0.0	0.0	0.0	0.0	0.0
Imports from other countries	85.4	273.5	206.4	200.0	200.0
Total Imports	**85.4**	**273.5**	**206.4**	**200.0**	**200.0**
Total Supply	**4,055.4**	**3,603.5**	**4,606.4**	**3,810.0**	**3,625.0**
Exports					
Exports to provinces excluding	155.0	155.0	155.0	155.0	155.0
Exports to other countries	237.1	198.9	528.9	200.0	175.0
Total Exports	**392.1**	**353.9**	**683.9**	**355.0**	**330.0**
Domestic Disappearance					
Human, food and industrial use[2]	65.0	70.0	x	x	x
Seed requirements	3.1	3.6	3.2	3.5	3.5
Feed, waste and dockage[3]	2,965.3	2,876.0	x	x	x
Total domestic disappearance	**3,033.4**	**2,949.6**	**3,462.5**	**3,000.0**	**3,000.0**
Ending Stocks					
On farms	630.0	300.0	460.0	400.0	295.0
In commercial positions	0.0	0.0	0.0	0.0	0.0
Total Ending Stocks	**630.0**	**300.0**	**460.0**	**400.0**	**295.0**
Total Disposition	**4,055.4**	**3,603.5**	**4,606.4**	**3,410.0**	**3,330.0**
Average Weighted Price/t	$107.08	$148.42	$180.31	$188.97	$177.16

Source, Statistics Canada, Ontario Corn Producers Association
f: forecast; Agriculture and Agri-Food Canada
1. Grain exports exclude seed. Grain imports include seed.
2. Ethanol included in industrial use.
3. Animal feed, waste and dockage calculated residually.

OTHER CANADIAN PROVINCES* CORN SUPPLY AND DEMAND

Sept-Aug Crop year	2005 -2006	2006 -2007	2007 -2008	2008 -2009f	2009 -2010f
Seeded Area (Mha)	0.41	0.39	0.45	0.40	0.40
Harvested Area	0.41	0.38	0.45	0.38	0.39
Yield (t/ha)	8.21	7.20	9.13	8.25	8.30
			thousand tonnes		
Carry-In Stocks					
On farms	0.0	0.0	0.0	40.0	0.0
In commercial positions	0.8	0.1	0.1	1.8	0.1
Total Beginning Stocks	**0.8**	**0.1**	**0.1**	**41.8**	**0.1**
Production	**216.1**	**422.1**	**563.4**	**583.7**	**670.0**
Imports from Quebec	155.0	155.0	155.0	155.0	155.0
Imports from Ontario	25.0	25.0	25.0	25.0	25.0
Imports from other countries	710.0	704.5	2,295.2	1,050.0	1,050.0
Total Imports	**890.0**	**884.5**	**2,475.2**	**1,230.0**	**1,230.0**
Total Supply	**1,106.9**	**1,306.7**	**3,038.7**	**1,855.5**	**1,900.1**
Total Exports	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Domestic Disappearance					
Human, food and industrial use[2]	140.0	160.0	450.0	x	x
Seed requirements	1.5	1.6	1.7	1.7	3.5
Feed, waste and dockage[3]	965.3	1,145.0	2,545.2	x	x
Total Domestic Disappearance	**1,106.8**	**1,306.6**	**2,996.9**	**1,855.4**	**3,350.0**
Ending Stocks					
On farms	0.0	0.0	40.0	0.0	300.0
In commercial positions	0.1	0.1	1.8	0.1	0.0
Total Ending Stocks	**0.1**	**0.1**	**41.8**	**0.1**	**300.0**
Total Disposition	**1,106.9**	**1,306.7**	**3,038.7**	**3,410.0**	**3,350.0**

Source, Statistics Canada,
f: forecast; Agriculture and Agri-Food Canada
* excludes Ontario and Quebec
1. Grain exports exclude seed. Grain imports include seed.
2. Ethanol included in industrial use.
3. Animal feed, waste and dockage calculated residually.